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10/072,071

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EXAMINER

MOONEYHAM, JANICE A

ART UNIT

PAPER NUMBER

3629

DATE MAILED: 06/06/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

10/072,071

Applicant(s)

SORENSEN ET AL.

Examiner

Janice A. Mooneyham

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 30 December 2004 and 10 March 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 36-39, 41-47 and 49-51 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 36-39, 41-47 and 49-51 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- ☐ Notice of Informal Patent Application (PTO-152)
- ☐ Other: \_\_\_\_\_

### DETAILED ACTION

1. This is in response to the applicant's communications filed on December 30, 2004 and March 10, 2005, wherein:

Claims 36-39, 41-47, 49-51 are currently pending;

Claims 40 and 48 have been cancelled;

Claims 36, 37, 39, and 41 have been amended.

#### *Claim Objections*

2. Claims 44-47 and 49-51 are objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form.

To test if any claim is a proper dependent claim, use the "infringement test" in MPEP 608.01(n), Section III. If a claim is a **proper dependent** claim, it **cannot conceivably be infringed by anything that would not also infringe the claim it references**. Another way to think of it is - if you can infringe the dependent claim without infringing the independent claim, then the dependent claim is an improper dependent claim because it does not require all the limitations of the independent claim.

For example, applying the infringement test, what is needed to infringe claim 44 is a CD-ROM having computer executable code that if and when executed would cause a computer to manage ideas. However, such a CD-ROM would **not** infringe the method steps of claim 36 since the CD-ROM itself never

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performs any of the active steps of managing ideas required by the method. In other words, mere possession of such a CD-ROM would infringe claim 44, but this is not enough to infringe claim 36. As a result, claim 44 is an improper dependent claim.

Note that in this case, if applicant insists on a "computer program product" claim, it can not be amended to be in proper dependent form, it would have to be rewritten in independent form or canceled. Computer code on a medium does not actively perform method steps.

### ***Response to Amendment***

#### ***Claim Rejections - 35 USC § 112***

3. Claim 36-39, 41-47 and 49-51 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It is still unclear what the applicant means by providing the contingent contractual rights in an online marketable format, what the applicant means by electronically tradable certificate, or how the applicant markets the rights.

#### ***Claim Rejections - 35 USC § 101***

4. Applicant has amended the claim language and therefore the rejection under 35 USC 101 is withdrawn.

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***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

5. Claims 36-39, 41-47 and 49-51 are rejected under 35 U.S.C. 102(e) as being anticipated by Powell (US 2004/00220881 (hereinafter referred to as Powell)).

Referring to Claims 36 and 44:

Powell discloses a method and program for managing ideas, comprising the steps of

maintaining a computer database for accumulating ideas for prospectively patentable inventions (Fig. 2- FDI (Fully Disclosed Idea) Database (261) and NDS (FDI) (non-disclosing synopsis of an originator's fully disclosed idea Database 260) page 8 [0088, 0091, 0092, 0093] [0100], page 10 [0111] and [0112]) system to allow communication of ideas to potential users); and

programming a computer to provide contingent (*as defined by Black's Law Dictionary is possible, but not assured, doubtful or uncertain, conditioned upon the occurrence of some future event which is itself uncertain or questionable*) contractual rights in exchange for transfers of property rights under patent rights

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to prospectively patentable inventions derived at least in part from the accumulated ideas (*users desiring to commercially exploit or otherwise utilize the originator's fully disclosed idea will negotiate directly with the originator for an exclusive or nonexclusive license, option, preemptive right or assignment of the idea*[0015]; *an originator who desires to post, license or sell an idea* [0018]; *in the event that a user decides not to license, purchase or otherwise acquire the rights (contingent)), or in exchange for contractual obligations to transfer the property rights wherein the rights are to a portion of anticipated income derived from said property rights (this body of law enforces contractual obligations to pay the originator of a creative idea for its use* [0079]; *that use will not be made thereof unless there is appropriate payment by the producer or studio* [ 0081] *toy example – it is common practice for toy developers to “pitch” their ideas and concepts to toy marketing companies prior to reduction to practice (prospectively patentable invention) in exchange for this opportunity, the toy company agrees to pay a royalty on all products sold deriving from the original idea. The toy company is paying the originator for the opportunity to bring the idea to market and obtain exclusive marketing rights to the initial product and derivatives thereof* [0082] [0088] *innovation transfer protocols; originator would like to be compensated for use of the idea; although the originator may have inchoate intellectual property rights (e.g., patent, copyright, trade secret or other statutory property rights) (abstract, Figure 12a, 13, 18a, 19, page 1* [0008], *page 2* [0012-0015, *page 7* [0082], *page 17* [00191] *Revenue Generation; pages 18-19 FDI: Toy Concept* [0201], *pages 19-21* [0203-0212]; and

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marketing the contingent contractual rights (*the toy company is paying the originator for the first opportunity to bring the idea to market and obtain exclusive marketing rights to the initial product and **derivatives thereof*** [0082]).

Referring to Claims 37 and 45:

Powell discloses programming a computer to facilitate marketing of the rights in an online marketable format ((0015] *users desiring to commercially exploit or otherwise utilize the originator's fully disclosed idea will negotiate directly for an exclusive or nonexclusive license, option, preemptive right or assignment of the idea utilizing electronically or web-enabled communication means*) see also page 2 [0012]).

Referring to Claims 38 and 46:

Powell discloses the format being an electronically tradable certificate (*Black's Law Dictionary defines a certificate as a written assurance or official representation that some act has or has not been done or some event occurred, or some legal formality has been complied with, thus a license would be a certificate*) ((0015] *users desiring to commercially exploit or otherwise utilize the originator's fully disclosed idea will negotiate directly for an exclusive or nonexclusive license, option, preemptive right or assignment of the idea utilizing **electronically or web-enabled communication means***) see also page 3 [0024] and assignment or license can be transferred, page 14 [0016]).

Referring to Claims 39 and 47:

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Powell discloses enabling an online transfer, sale, and/or auction of the rights ([0018] *an originator who desires to post, license or sell an idea, the system is an online commercial network [0012]*) see also page 3 [0024-0025]).

Referring to Claims 41 and 49:

Powell discloses facilitating online contributions of ideas ([0012] *facilitate idea submission; the present invention is a method and apparatus for effectuating bilateral commerce of ideas, the system is an online commercial network [0012]*); and

providing contractual rights via an online communication network between the computers ([0012] *the present invention is both an originator and user-driven online commercial network system designed to facilitate idea submission, purchase and licensing, also [0015] exclusive or nonexclusive license, option, preemptive right or assignment can be negotiated electronically or in a web-enabled communication means*).

Referring to Claims 42 and 50:

Powell discloses accumulating ideas prior to filing a patent application (*it is common practice for toy developers to "pitch" their ideas and concepts to toy marketing companies prior to reduction to practice* ([0082] see also page 18 [0201 thru page 21 [0214])).

Referring to Claims 43 and 51:

Powell discloses the ideas include needs or requirements of the invention ([0235-0237] see abstract- *the invention allows users to communicate unsolved problems or needs globally to potential originators, for originators to search for*



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*relevant unsolved problems or needs and for originators to submit and communicate proposed solutions)*

### ***Response to Arguments***

Applicant's arguments filed December 30, 2004 and March 10, 2005 have been fully considered but they are not persuasive.

The applicant argues that Powell does not disclose marketing of contingent contractual rights to a portion of anticipated income derived from property rights under patent rights. The Examiner respectfully disagrees.

First of all, the applicant has identified step (b) of claim 36 as:

b) programming a computer to provide contingent contractual rights in exchange

for transfers of property rights under patent rights to prospectively patentable inventions derived at least in part from the accumulated ideas or in exchange for contractual obligations to transfer said property rights, wherein said contingent contractual rights are to a portion of anticipated income derived from said property rights.

Powell discloses a royalty payment (page 7 [0082]) wherein Powell states that the toy company is paying the originator for the first opportunity to bring the idea to market and obtain exclusive marketing rights to the initial product and derivatives thereof. In exchange for this opportunity, the company agrees to pay a royalty on all products sold deriving from the original idea. A royalty is

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compensation for the use of property (See Black's Law Dictionary Definition attached). The applicant then states that the right to income derived from an assignment or from a license is a contractual right. Thus, Powell discloses a contractual right when Powell discloses royalty payments. Powell discloses exclusive or nonexclusive licenses, option, preemptive right and assignment (page 2 [0015] (property rights under patent rights as defined by applicant) and royalty payments as compensation for use of the property (contractual rights).

As for applicant's argument that Powell does not suggest any motivation for programming a computer to facilitate marketing of the contractual rights online, the Examiner respectfully disagrees.

First, the applicant states in the remarks that a contractual right is income derived from an assignment or from a license. Powell discloses assignments and licenses (page 2 [0015]). Powell identifies the invention as an online commercial network system designed to facilitate idea submission, purchase and licensing (page 2 [0012]). Powell further discloses that the licenses, options, rights or assignment of the idea can be negotiated electronically or in a web-enabled communication means, thus online. Since the royalty payment is income derived from any online agreement wherein the company is paying the originator for the opportunity to bring the idea to market and obtain exclusive marketing rights to the product **and derivatives thereof** (page 7 [0082]), Powell does facilitate marketing of the contingent contractual rights in an online format.

As for the applicant's argument that Powell does not suggest the rights in a format of an electronically tradable certificate, the Examiner disagrees. The

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Examiner looked to the Black's Law dictionary for the definition of the term certificate. A certificate was defined as a written assurance or official representation that some act has or has not been done, or some event occurred, or some legal formality has been complied with. The right to the income derived from an assignment or from a license is a contractual right, as defined by applicant on page 9 of remarks. Black's Law Dictionary defines a license as a certificate or a document. Thus Powell discloses a electronic certificate. The Merriam Webster Online Dictionary defines trade as:

Main Entry: **<sup>1</sup>trade** 🌀

Pronunciation: 'trAd

Function: *noun*

Etymology: Middle English, from Middle Low German; akin to Old High German *trata* track, course, Old English *fredan* to tread

**1 a** *obsolete* : a path traversed : WAY **b** *archaic* : a track or trail left by a person or animal : TREAD **1**

**2** : a customary course of action : PRACTICE <thy sin's not accidental, but a *trade* -- Shakespeare>

**3 a** : the business or work in which one engages regularly : OCCUPATION **b** : an occupation requiring manual or mechanical skill : CRAFT **c** : the persons engaged in an occupation, business, or industry

**4 a** *obsolete* : dealings between persons or groups **b** (1) : the business of buying and selling or bartering commodities : COMMERCE (2) : BUSINESS, MARKET <novelties for the tourist *trade*> <did a good *trade* in small appliances>

**5 a** : an act or instance of trading : TRANSACTION; *also* : an exchange of property usually without use of money **b** : a firm's customers : CLIENTELE **c** : the group of firms engaged in a business or industry

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Therefore, a license that is exchanged online provides a contractual right in the format of an electronically tradable certificate.

As for the applicant's arguments as to claims 39 and 41, the applicant is directed to the discussion in the rejection.

***Conclusion***

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Janice A. Mooneyham whose telephone number is (571) 272-6805. The examiner can normally be reached on Monday through Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on (571) 272-6812. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

JM

  
DEANT. NGUYEN  
PRIMARY EXAMINER

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05 ✓